

1	2	3
30.	Lakshadweep	0
31.	Pondicherry	0
TOTAL:		213

Purchase of AK-47 Rifles

2492. SHRI KHAGEN DAS: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have paid US \$10.5 million to a Bulgarian firm for purchase of AK-47 rifles and its ammunition;

(b) whether it is a fact that the contract was not honoured despite the payment;

(c) whether it is also a fact additional amount of Rs. 15.94 crores was placed with a Romanian firm for AK-47 rifles, but even these rifles could not be used because ammunition was not purchased; and

(d) if so, the details in this regard?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (d) To meet the operational requirement of the Army in Low Intensity Conflict/Counter Insurgency (LICCI) duties, particularly in the Northern Sector, a Contract was concluded with a Bulgarian vendor in May, 1994 for procurement of 1 lakh AK-47 rifles and 50 million rounds of its ammunition. The samples of rifles and ammunition sent by the vendor for trials in India were found acceptable by the Army. However, the Bulgarian vendor did not supply the rifles/ammunition thereafter and no payment was released to the vendor. The firm was debarred for a period of 5 years in respect of issue of tender enquiries. The rifles and ammunition had to be procured from a Romanian vendor subsequently, at a higher cost.

Since supplies were not received from the Bulgarian vendor, procure-
ment action from other sources was initiated. Two contracts were concluded in June 1995, one with M/s Romtechnica, Romania

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for procurement of 1 lakh AK-47 rifles and the other with M/s KOMID, Korea for procurement of 50 lakh rounds of ammunition. Whereas the rifles were supplied by the Romanian vendor, the Korean vendor failed to supply the AK-47 ammunition. Under a contract concluded in December, 1996 with M/s Romtehnica, Romania, the AK-47 ammunition has been delivered.

The initial contract value for procurement of 1 lakh AK-47 rifles and 50 million rounds of ammunition was US \$ 10.10 million and the contract value against which the supply was received was US \$ 16.42 million.

Inspection of imported ammunitions

2493. SHRI KHAGEN DAS: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have conducted any investigation as suggested by the audit to fix responsibilities for not carrying out inspection of imported ammunitions for army's use by the Controller of Quality Assurance of the Defence Department in the Central Ammunition Depot, Pulgaon case;

(b) if so, what are the outcome thereof; and

(c) if not, what preventive steps Government have taken to check recurrence of such incidents in future?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (c) A contract dated 6th August, 1990 valued at US\$ 17.25 million was signed with M/s Federal Directorate of Supply and Procurement (FDSP), Yugoslavia for procurement of critically needed ammunition by the Army. Part supplies of ammunition were delivered by FDSP. However due to UN sanctions placing restrictions on supply of arms from Yugoslavia, which came into effect from 30.5.1992, the remaining contracted ammunitions were not delivered by FDSP. The Army was pressing for its requirement of the undelivered ammunitions.

A contract dated 21.1.1993 was signed with M/s Pitcare